R 18/989

# 7.81%

# U.S. Savings Bonds

## Semiannual Rate Effective May Through October 1989

The first semiannual interest rate for Series EE Savings Bonds issued between May 1 and October 31, 1989, is 7.81%. The current minimum rate for Bonds held at least five years is six percent.

The new semiannual rate is part of the average of semiannual rates, rounded to the nearest quarter percent, determining the yield of Bonds held five years or longer under the market-based interest program. Bonds held less than five years earn interest on a fixed, graduated scale.

Qualifying older Series EE and E Bonds and Savings Notes also receive the new semiannual rate for their six-month interest periods starting between May and October 1989. EE Bonds issued since November 1, 1982, must be held at least five years to qualify for market-based rates. The value of EE and E Bonds and Notes issued before that date reflect market-based rates.

The market-based rate for Savings Bonds is 85 percent of the market average on five-year Treasury securities during the qualifying five-year or longer holding period, rounded to the nearest quarter percent. Semiannual market-based rates help Bond owners track the progress of their Bonds.

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The minimum yield on Bonds held five years or longer is subject to change for new issues if market conditions warrant. Bonds outstanding at the time of any change retain their previous guarantees to original, or next extended, maturity.

## Cumulative Market-Based Rates

| For Bonds Purchased: | Average Rate | Rate at Redemption* |
|---|---|---|
| Through 4/30/83 | 8.29% | 8.25%† |
| 5/1/83-10/31/83 | 8.07% | 8.00% |
| 11/1/83-4/30/84 | 8.02% | 8.00% |
| 5/1/84-10/31/84 | 7.90% | 8.00% |
| 11/1/84-4/30/85 | 7.70% | |
| 5/1/85-10/31/85 | 7.34% | |
| 11/1/85-4/30/86 | 7.07% | |
| 5/1/86-10/31/86 | 6.88% | |
| 11/1/86-4/30/87 | 6.86% | |
| 5/1/87-10/31/87 | 7.02% | |
| 11/1/87-4/30/88 | 7.31% | |
| 5/1/88-10/31/88 | 7.36% | |
| 11/1/88-4/30/89 | 7.58% | |
| 5/1/89-10/31/89 | 7.81% | |

Market-based rates apply only to Bonds held five years or longer and to Bonds purchased before November 1, 1982, and held to their first interest-accrual date beginning on or after November 1, 1987.

*Rate used to calculate value of Bonds redeemed from May through October 1989. Applies from first interest date on or after November 1, 1982.

†Certain Bonds in this group yield a guaranteed rate of interest higher than that indicated.

SBD-1962

**U.S. SAVINGS BONDS**

THE GREAT AMERICAN INVESTMENT